

**Department of Justice  
U.S. Attorney's Office  
Western District of Washington**

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**Former Microsoft software engineer convicted of 18 federal felonies for stealing more than \$10 million in digital value such as gift cards**

Seattle – A former Microsoft software engineer was convicted today in U.S. District Court in Seattle of 18 federal felonies related to his scheme to defraud Microsoft of more than \$10 million, announced U.S. Attorney Brian T. Moran. VOLODYMYR KVASHUK, 25, a Ukrainian citizen residing in Renton, Washington, worked first as a contractor at Microsoft and then as an employee from August 2016 until he was fired in June 2018. Today, following a five-day trial, KVASHUK was convicted of five counts of wire fraud, six counts of money laundering, two counts of aggravated identity theft, two counts of filing false tax returns, and one count each of mail fraud, access device fraud, and access to a protected computer in furtherance of fraud. When sentenced by U.S. District Judge James L. Robart on June 1, 2020, KVASHUK faces up to twenty years in prison.

According to records filed in the case and testimony at trial, KVASHUK was involved in the testing of Microsoft's online retail sales platform, and used that testing access to steal "currency stored value" such as digital gift cards. KVASHUK resold the value on the internet, using the proceeds to purchase a \$1.6 million dollar lakefront home and a \$160,000 Tesla vehicle. Initially, KVASHUK started stealing smaller amounts totaling about \$12,000 in value using his own account access. As the thefts escalated into millions of dollars of value, KVASHUK used test email accounts associated with other employees. KVASHUK, a knowledgeable software developer, attempted to mask digital evidence that would trace the fraud and the internet sales back to him. He used a bitcoin "mixing" service in an attempt to hide the source of the funds ultimately passing into his bank account. In all, over the seven months of KVASHUK's illegal activity, approximately \$2.8 million in bitcoin was transferred to his bank accounts. KVASHUK then filed fake tax return forms, claiming the bitcoin had been a gift from a relative.

In closing arguments, Assistant United States Attorney Siddharth Velamoor said KVASHUK "hid behind his colleagues' names.... dripping fraud and deceit every step of the way.... This is a simple case... anyway you look at it this is a crime of greed."

KVASHUK testified at trial that he did not intend to defraud Microsoft. He claimed to be working on a special project to benefit the company.

That testimony was, "A house of lies on top of a previous house of lies," Assistant United States Attorney Michael Dion told the jury.

The jury deliberated about five hours before returning the guilty verdicts.

“In addition to stealing from Microsoft, Volodymyr Kvashuk also stole from the government by concealing his fraudulent income and filing false tax returns. Kvashuk’s grand scheme was thwarted by the hard-work of IRS-CI’s Cyber Crimes Unit. Criminals who think they can avoid detection by using cryptocurrency and laundering through mixers are put on notice...you will be caught and you will be held accountable,” said IRS-CI Special Agent in Charge Ryan L. Korner.

The case was investigated by the Internal Revenue Service Criminal Investigation’s Western Area Cyber Crime Unit and the U.S. Secret Service.

The case was prosecuted by Assistant United States Attorneys Michael Dion and Siddharth Velamoor.